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JACK ANDERSON

CIA Linked to Investment Firm

rudgingly, the CIA is being forced to admit greater responsibility for its involvement in a Honolulu investment firm that collapsed and left some 400 investors with \$22 million in losses.

When Ronald Ray Rewald was arrested last year and charged with two counts of fraud, he claimed that the collapse of his firm was due in no small part to its CIA connection.

The CIA denied any role whatever in either the investment firm or its collapse; it ridiculed the notion that Rewald was a CIA operative.

Refusing to be hung out to dry, Rewald responded with an affidavit—with documentary evidence—that supported his claim that the business served as a CIA front. Rewald was slapped with 100 counts of fraud, tax evasion and perjury. At one point, he was held in jail for lack of a \$10 million bail—the highest ever set in Hawaii.

But the CIA, meanwhile, has been obliged to admit, however reluctantly, that Rewald was, indeed, part of a "low-level" CIA operation.

After interviewing principals in the case, talking with CIA and other sources and studying copies of the sealed documents Rewald submitted to the court, my associates Dale Van Atta and Indy Badhwar have concluded that the CIA's claim of "low-level" involvement with Rewald's firm is as false as the earlier denial of any connection at all.

My reporters have compiled a list of at least 17 CIA agents who were also Rewald employes, a dozen other employes and officials who had contact with the firm (including ex-CIA directors George Bush and Stansfield Turner), plus another dozen

CIA-related persons who invested at least \$890,000 in the CIA front. These include:

- Three successive CIA station chiefs in Honolulu who assigned Rewald to gather intelligence for the agency and to provide cover for its agents. One, Jack Kindschi, joined Rewald's firm as a director.

 A CIA secretary who worked for each statical
- A CIA secretary who worked for each station chief had close knowledge of Rewald's operation. Her son, a CIA agent, invested in the firm.
- A man described as a "longtime CIA agent" who worked out of Stockholm and was laying groundwork to do business with Greek Prine Minister Andreas Papandreou—so as to siy on him.

 Second Revold analyses who may a secruited by
- Several Rewald employes who were recruited by the CIA as simultaneous "contract agers."
- Moscow and who traveled under State Department cover throughout Europe and the Middle East gathering intelligence. He worker occasionally for Rewald, and was to join his firm when it collapsed.
- Eight CIA agents whose cover was provided by four companies created by Rewald and the CIA as consulting firms or "antiquities" dealers—ALS Consultants, CMI Investment Corp., Canadian Far East Trade Corp. and A&H Enterprises.

The "cover sheets" for the two latter firms show bogus capitalization figures and business activities, plus genuine telephone numbers that would ring at Rewald's company in such a way that the secretary would know the call was for one of the front firms.

At least four other highly sensitive agents, whom the CIA would protect at any cost, even murder, according to what a Rewald attorney swore he was

told by a prosecutor.